

PRIVATE SECTOR PROGRAM

MICRO, SMALL, AND MEDIUM SIZE ENTERPRISES (MSMEs)

Activity Title: Enterprise Development and Strengthening (EDS)

Implementation Timeframe: December 2002 – February 2008

Objective: To facilitate sustainable growth and development of MSMEs by providing comprehensive access to credit, capital, and investment finance through NGO-based lending, private micro-finance companies, and commercial banks.

Description: The EDS activity builds on the successful results of the previous USAID-funded micro-lending activity. The first component of the EDS activity supports micro-lending expansion to underserved markets in Romania and provides eligible MSMEs with a mixture of complementary loan products and services to sustain their continued growth and development. The second component of the EDS activity supports the creation of a Microfinance Coalition to offer credit services to MSMEs throughout Romania. The Microfinance Coalition will include leading local Business Support Organizations (BSOs) and other leading microfinance providers. The Microfinance Coalition seeks to build strategic partnerships with existing national organizations in order to reduce redundancies and layers of bureaucracy. This activity involves BSOs as credit program intermediaries in conducting client outreach, pre-screening, tracking loans and repayment, and identifying and developing secondary services requested by clients.

Implementing Partner: The Cooperative Housing Foundation (CHF)

For more details please visit <http://www.chf.org>

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Activity Title: Enterprise Fund

Implementation Timeframe: August 1994 - August 2009

Objective: To run investment and loan programs, raise additional funds from private and public sources to be invested in Romania's emerging private sector, provide advisory services to Romanian financial institutions, match U.S. with Romanian companies, and support U.S. trade and investment.

Description: RAEF was established in mid-1994 by the U.S. Congress, incorporated as a not-for-profit private organization under the laws of the state of Delaware. It was capitalized with a USAID grant of \$50 million (August 1994). Since then, the grant's ceiling has been increased several times, reaching \$61 million in FY2001. RAEF provides both investment and loan programs for private businesses in Romania. It raises additional funds from private and public sources to be invested in Romania's emerging private sector. It also provides advisory services to the Romanian Investment Fund, and offers technical assistance to qualified companies. RAEF's current operations include: a Major Transaction Program (investment in equity and convertible instruments), Micro Loan Programs (lending to private MSMEs), and a Mortgage Program.

Implementing Partner: The Romanian American Enterprise Fund (RAEF)

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Activity Title: Romanian Information Technology Initiative/ Improve Access to IT

Implementation Timeframe: August 2002 – July 2005

Objective: To support increased access to and utilization of information and communication technology (ICT) by public and private sector organizations in Romania.

Description: The IT-Access activity consists of four thematic areas:

- E-Governance and NGO strengthening, particularly as related to increased transparency, efficiency, and responsiveness of assisted institutions;
- E-Commerce expansion in support of SME growth and business association development;
- Support of IT initiatives launched by the Romanian Government; and
- Expanding equitable public access to IT resources, particularly through private sector-led expansion of IT services through public access centers in rural or otherwise under-served communities.

Implementing Partner: Academy for Educational Development

Web Page: <http://www.aed.org>

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Activity Title: Romanian Information Technology Initiative/ Improve IT Legal and Regulatory Framework

Implementation Timeframe: May 2002 – May 2005

Objective: To support the development of a well-functioning information technology and communication policy and regulatory framework in Romania.

Description: The project provides high-quality technical assistance and training to the Ministry of Information Technology and Communications (MCTI) and to the National Agency for Communications (ANRC) for developing the secondary legislation, and assists them in the implementation of IT laws and regulations to help create appropriate IT policy and a sound legal framework for promoting the growth and development of information technology and communications services. Specific guidelines and procedures are designed to support the operations of an independent regulatory body for information technology and communications in Romania.

Implementing Partner: Internews Network

Web Page: <http://www.internews.org>

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Activity Title: Small Project Assistance (SPA)

Implementation Timeframe: August 1999 – September 2004

Objective: To support community development and encourage entrepreneurship by improving access to multiple resources that support the development of specific knowledge, skills and attitudes.

Description: Peace Corps volunteers work with community representatives to identify local needs and design project proposals to address those needs. Viable project proposals up to \$2,500 are funded through SPA grants. The SPA grants provide support in order to: educate and train students and businesspeople in the theories and practices of a market economy; support the non-governmental

sector through organizational development projects; and foster the entrepreneurial spirit through advisory services, consultancy work, training seminars and materials, adequate information and business contacts, small grants, and advocacy efforts.

Implementing Partner: Peace Corps

Web Page: <http://www.peacecorps.gov>

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FINANCIAL MARKETS/ FINANCIAL INSTRUMENTS

Activity Title: Financial Markets Reform in Romania

Implementation Timeframe: October 2001 - September 2006

Objective: To contribute to overall economic growth by attracting foreign investors, improving liquidity, and re-establishing credibility in Romanian financial markets.

Description: In Phase I, USAID provided assistance to assess and remedy the acute weakness that persists in Romania's non-bank financial markets. Currently under way, Phase II targets assistance to Romanian banking and government entities, to the National Securities and Exchange Commission, and to the markets themselves (BVB and RASDAQ). This assistance supports the long-term, sustainable development of capital markets in Romania, including but not limited to the reduction of corruption, the improvement of corporate governance and market transparency, the provision of training for judicial system participants who enforce capital market regulations, and the provision of technical assistance for the introduction of new financial instruments.

Implementing Partner: Deloitte Touche Tohmatsu

Web Page: <http://www.deloitte.com>

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AGRICULTURE

Activity Title: Romanian Agribusiness Development and Policy Support Project

Implementation Timeframe: September 2002 - September 2006

Objective: Addresses current agricultural challenges and calls for a reduction of state interventions and the creation of opportunities for significant growth of agriculture and agribusiness. This entails speeding up the privatization of state enterprises, supporting agriculture policy and regulatory reform, improving credit availability for the agricultural sector, strengthening private associations' role in Romanian agriculture, promoting cost-efficient and environmentally sustainable production, and promoting trade and investment in the agriculture sector.

Description: Provides technical assistance and training to the Ministry of Agriculture and other government institutions in agricultural policy analysis and formulation in order to promote the growth of agribusiness in Romania. Provides technical expertise to support policy reform in the grain sector by accelerating the introduction of the warehouse receipts system. Promotes feasibility studies and provides technical assistance to leverage other donors' development programs. Facilitates and supports "AgLinks" between Romanian and U.S. companies in order to encourage trade ties, joint ventures, and investments. Provides technical assistance for forestry management and alternative

uses of agricultural wastes / agricultural by-products. Fosters technical transfer and exchange on a variety of environmentally sustainable technologies through training workshops.

Implementing Partner: U.S. Department of Agriculture (USDA)

Web Page: <http://www.usda.gov>

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Activity Title: Romania Water Users Associations (WUAs) Development

Implementation Timeframe: October 2001 - March 2005

Objective: To create and support private water user associations (WUAs) and to facilitate the development of a market-driven rehabilitation of the irrigation system in Romania complementing the 2003 World Bank irrigation loan to Romania.

Description: WUA development activity includes marshalling business support services to help WUAs improve their practices and operations. As subsidies to irrigation gradually disappear, WUAs will have to sustain themselves from their members' irrigated production and product marketing. WUA on-farm water management is expected to improve the potential to produce for markets rather than subsistence. WUA development activities include: Develop a Program Plan to strengthen WUAs and coordinate this work with other donors; undertake feasibility studies relative to WUAs issues; work with individual WUAs to help them become sustainable; assist WUAs to commercialize their production; help the development of an Irrigation Advisory Service; and monitor and evaluate progress.

Implementing Partner: PA Consulting Group

Web Page: <http://www.paconsulting.ro>

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ENERGY

Activity Title: Privatization, Investment, and Development of Energy (PRIDE)

Implementation Timeframe: September 2003 – September 2005

Objective: To assist the host government in the privatization process of electricity sector utilities.

Description: The goal of this activity is to provide assistance in the privatization of two important power plants, Turceni and Rovinari, transformed into legal entities after the recent re-organization of Termoelectrica.

Implementing Partner: Deloitte Touche Tohmatsu

Web Page: <http://www.deloitte.com>

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Activity Title: Regional Energy Regulators Network

Implementation Timeframe: May 2002 – October 2005

Objective: to support the Central/Eastern Europe/Eurasia region's energy regulatory authorities' formalization of their relationship and establishment of a voluntary association, to coordinate an information exchange program among the region's energy regulatory authorities (Regional Regulatory Network) and establish a professional regional association (ERRA), and to assist and support the energy regulatory authorities' efforts to develop a stable, efficient, and competitive electric industry.

Description: The main result of this program is the establishment of a regional energy regulators association (ERRA) in which Romanian energy regulatory bodies (ANRE and ANRGN) play important roles. Through its working committees, ERRA promotes a common approach to solve the region's liberalized market issues. Periodic regional conferences for regulators are organized (the last one took place in May 2004 in Budapest). All this activity is coordinated with the Regional Power Technical Assistance for developing a South Eastern European Regional Electricity Market (REM).

This activity is important for Romanian regulators who are active participants (ANRE president is a member of ERRA's Board and two Romanian commissioners are chairpersons for two working committees).

Implementing Partner: National Association of Regulatory Utility Commissioners

Web Page: <http://www.naruc.org>

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ENVIRONMENT

Activity Title: Support to Enhance Privatization, Investment, and Competitiveness in the Water Sector

Implementation Timeframe: August 2003 – August 2006

Objective: To protect water resources from depletion and pollution to benefit the public as well as the industrial and agricultural sectors.

Description: This activity focuses on bringing competitive management, regulatory compliance, and funding to the water industry to help stimulate economic growth and prosperity. The project also addresses barriers to transferring state-owned assets to private owners.

Implementing Partner: Chemonics International

Web Page: <http://www.chemonics.com>

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